

Revenue Requirement Comparison

Case 1b

2007 Rate Case

Under Ameren ownership

Rate Base wo/ transaction	1,600	at end of 2006
<u>Net change due to step-up</u>	<u>310</u>	
New Rate Base =	1,910	

	<u>% of RBase</u>	<u>Rate</u>
Equity	55%	10.5%
Debt	45%	6.0%

Tax Rate = 39.75%

Return on Rate Base =	8.5%	162
Interest Tax Savings =		(20)

After-Tax Return Requirement = 141

EBIT = 235

Add-back excess interest = 9

Total EBIT Required = 244

Depreciation & Amortization	90
<u>Acquisition Adjustment Amortization</u>	<u>17</u>
D&A =	107

EBITDA = 351

O&M and G&A Expense	310
<u>Synergies</u>	<u>(13)</u>

Net O&M = 297

Gross Margin = 648

Purchased Power + Gas = 887

Total Revenue Required = 1,534

Under Dynegy ownership

Rate Base = 1,600 at end of 2006

	<u>% of RBase</u>	<u>Rate</u>
Equity	50%	10.5%
Debt*	50%	7.0%

Tax Rate = 39.75%

Return on Rate Base =	8.8%	140
Interest Tax Savings =		(22)

After-Tax Return Requirement = 118

EBIT = 195

Add-back excess interest = 101

Total EBIT Required = 296

Depreciation & Amortization	90
<u>Acquisition Adjustment Amortization</u>	<u>-</u>
D&A =	90

EBITDA = 386

O&M and G&A Expense	310
<u>Synergies</u>	<u>-</u>

Net O&M = 310

Gross Margin = 696

Purchased Power + Gas = 942

Total Revenue Required = 1,638

Revenue Requirement Comparison

Case 2b

2007 Rate Case

Under Ameren ownership

Rate Base wo/ transaction	1,600	at end of 2006
<u>Net change due to step-up</u>	<u>310</u>	
New Rate Base =	1,910	

	<u>% of RBase</u>	<u>Rate</u>
Equity	55%	10.5%
Debt	45%	6.0%

Tax Rate = 39.75%

Return on Rate Base =	8.5%	162
Interest Tax Savings =		(20)

After-Tax Return Requirement = 141

EBIT = 235

Add-back excess interest = 9

Total EBIT Required = 244

Depreciation & Amortization	90
<u>Acquisition Adjustment Amortization</u>	<u>17</u>
D&A =	107

EBITDA = 351

O&M and G&A Expense	310
<u>Synergies</u>	<u>(13)</u>

Net O&M = 297

Gross Margin = 648

Purchased Power + Gas = 887

Total Revenue Required = 1,534

Under Dynegy ownership

Rate Base = 1,600 at end of 2006

	<u>% of RBase</u>	<u>Rate</u>
Equity	50%	11.5%
Debt*	50%	7.9%

Tax Rate = 39.75%

Return on Rate Base =	9.7%	155
Interest Tax Savings =		(25)

After-Tax Return Requirement = 130

EBIT = 216

Add-back excess interest = 94

Total EBIT Required = 310

Depreciation & Amortization	90
<u>Acquisition Adjustment Amortization</u>	<u>-</u>
D&A =	90

EBITDA = 400

O&M and G&A Expense	310
<u>Synergies</u>	<u>-</u>

Net O&M = 310

Gross Margin = 710

Purchased Power + Gas = 942

Total Revenue Required = 1,652

Revenue Requirement Comparison

Case 3b

2007 Rate Case

Under Ameren ownership

Rate Base wo/ transaction	1,600	at end of 2006
<u>Net change due to step-up</u>	<u>310</u>	
New Rate Base =	1,910	

	<u>% of RBase</u>	<u>Rate</u>
Equity	55%	10.5%
Debt	45%	6.0%

Tax Rate = 39.75%

Return on Rate Base =	8.5%	162
Interest Tax Savings =		(20)

After-Tax Return Requirement = 141

EBIT = 235

Add-back excess interest = 9

Total EBIT Required = 244

Depreciation & Amortization	90
<u>Acquisition Adjustment Amortization</u>	<u>17</u>
D&A =	107

EBITDA = 351

O&M and G&A Expense	310
<u>Synergies</u>	<u>(13)</u>

Net O&M = 297

Gross Margin = 648

Purchased Power + Gas = 887

Total Revenue Required = 1,534

Under Dynegy ownership

Rate Base = 1,600 at end of 2006

	<u>% of RBase</u>	<u>Rate</u>
Equity	50%	12.5%
Debt*	50%	8.8%

Tax Rate = 39.75%

Return on Rate Base =	10.7%	170
Interest Tax Savings =		(28)

After-Tax Return Requirement = 142

EBIT = 236

Add-back excess interest = 87

Total EBIT Required = 323

Depreciation & Amortization	90
<u>Acquisition Adjustment Amortization</u>	<u>-</u>
D&A =	90

EBITDA = 413

O&M and G&A Expense	310
<u>Synergies</u>	<u>-</u>

Net O&M = 310

Gross Margin = 723

Purchased Power + Gas = 942

Total Revenue Required = 1,665